

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7205**

**BILL NUMBER:** HB 1423

**DATE PREPARED:** Dec 27, 2000

**BILL AMENDED:**

**SUBJECT:** Vocational Education Funding.

**FISCAL ANALYST:** Chuck Mayfield

**PHONE NUMBER:** 232-4825

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** For purposes of the vocational education formula that becomes effective in 2002, this bill requires the Department of Workforce Development to provide the Department of Education with a report listing whether the Indiana average wage level for each generally recognized labor category is a high wage, a moderate wage, or a less than moderate wage. It uses this wage report (along with the reports categorizing vocational education programs by employment demand) in determining the amount of the vocational education grants. The bill increases vocational education funding per pupil from \$230 to \$250 for pupils enrolled in programs not covered by the employment demand categories. It also eliminates the vocational education funding component for pupils receiving a certificate of achievement. This bill provides vocational education funding of \$150 per pupil for pupils participating in a vocational education program in which pupils from multiple schools are served at a common location. It changes the expiration date of the law governing vocational education grants from January 1, 2002, to January 1, 2004. The bill provides that in 2002 and 2003, a school corporation is guaranteed funding equal to at least 75% of the vocational education funding received by the school corporation in 2001.

**Effective Date:** January 1, 2001 (retroactive); December 31, 2001; January 1, 2002.

**Explanation of State Expenditures:** The bill changes the 2002-2003 calendar year school vocational education formula for tuition support calculations. Schools are guaranteed to received 75% of the CY 2001 vocational education formula. The exact impact is unknown since schools might change program offerings to maximize revenues. Using CY 2000 data, the new formula would decrease vocational education funding by \$3 M over the current formula distribution of \$55.4 M for CY 2000, with 100 schools receiving more funding and 194 schools receiving less.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** See Explanation of State Expenditures, above.

**State Agencies Affected:** Department of Workforce Development, Department of Education.

**Local Agencies Affected:** Local School Corporations.

**Information Sources:** Department of Education and Department of Workforce Development databases.